

TO THE SHAREHOLDERS

AR30

Financial highlights of the six months ended September 30, 1976 with comparative results of the same period for 1975 are set out below. The 1976 figures include the results of Cambridge Leaseholds Limited for the full period whereas the 1975 results were only included from the dates of acquisition.

	1976	1975
	(\$000)	(\$000)
Rental Revenue	\$23,445	\$17,538
Operating Cash Flow	\$ 4,830	\$ 3,443
Per Common Share — Basic	68¢	58¢
— Fully diluted	57¢	48¢
Net Income	\$ 1,290	\$ 1,228
Per Common Share — Basic	13¢	20¢
— Fully diluted	13¢	20¢

Rental revenue and operating cash flow have continued to show good growth. Net income does not show the same growth due primarily to the effect of the financing cost and minority interest related to the Cambridge acquisition. In addition, net income per common share is lower this period due to the impact of the preference share dividends. However, our projections indicate that the net income per common share for the full year's operation will exceed that of last year.

Another milestone in the growth of the Company was reached with the successful public offering of \$17,600,000 Convertible First Preference Series A shares which have been listed on the Toronto and Alberta Stock Exchanges.

Other highlights of the period include the start of construction on a 322 room Four Seasons Hotel in Edmonton Centre and on the Niagara Square Shopping Centre in Niagara Falls; the opening of Colorado Square in Colorado Springs, our first completed office tower in the United States, and the opening of the Toronto-Dominion Tower, the second office tower in Edmonton Centre. Construction on Oxford Square, Calgary; Bank of Commerce Building, Halifax and Denver Square, Denver, is on schedule and leasing is proceeding very well. Development activities are also continuing at a record pace with 10 major projects currently under review. An increasing amount of development activity is now taking place in the United States as a result of attractive opportunities in that country.

On behalf of the Board

G. Donald Love

G. Donald Love
Chairman and President

OXFORD
DEVELOPMENT
GROUP
LTD

INTERIM
REPORT

FOR THE
SIX MONTHS ENDED
SEPTEMBER 30
1976



2300 ROYAL TRUST TOWER
EDMONTON CENTRE
EDMONTON ALBERTA
(403) 426-6340

CONSOLIDATED STATEMENT OF INCOME

(UNAUDITED)

	Six Months Ended September 30	
	1976	1975
	(\$000)	(\$000)
Rental revenue	\$23,445	\$17,538
Operating expenses	5,826	5,338
Interest	11,684	8,161
Depreciation and amortization	1,526	1,178
	<u>19,036</u>	<u>14,677</u>
Operating profit from properties	4,409	2,861
Development and management fee income	642	595
Interest and other income	522	504
Gain (loss) on sale of property	(74)	337
	<u>5,499</u>	<u>4,297</u>
General and administrative expenses	1,740	1,524
Interest on general bank borrowings	455	508
Minority interest in income	398	211
Income taxes	1,616	826
	<u>4,209</u>	<u>3,069</u>
Net income	<u>\$ 1,290</u>	<u>\$ 1,228</u>
Net income per common share (Note 2)		
— Basic	13¢	20¢
— Fully diluted	13¢	20¢

NOTES:

1. Certain re-classifications have been made to 1975 figures to conform with 1976 presentation.
2. Per share calculations are based on the weighted average number of shares outstanding during the period.

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

(UNAUDITED)

	Six Months Ended September 30	
	1976	1975
	(\$000)	(\$000)
Source of Cash:		
From operations —		
Net income for the period	\$ 1,290	\$ 1,228
Non-cash items included in net income:		
Depreciation and amortization	1,526	1,178
Deferred income tax	1,616	826
Minority interest in income	<u>398</u>	<u>211</u>
Operating cash flow	4,830	3,443
Bank and other short-term borrowings	17,121	23,336
Mortgage advances	—	19,605
Issue of preference shares	17,600	—
Issue of common shares	—	7,500
Issue of notes and debentures	—	4,975
Sale of properties	3,991	8,993
Minority investment in subsidiaries	—	10,516
	<u>43,542</u>	<u>78,368</u>
Use of Cash:		
Development expenditures	32,634	25,535
Purchase of shares of subsidiaries	2,800	48,047
Mortgages repaid	2,445	5,445
Mortgage and debenture principal instalments	2,891	2,000
Payment of dividends	416	—
Other	4,887	(2,335)
	<u>46,073</u>	<u>78,692</u>
Decrease in cash	<u>\$ 2,531</u>	<u>\$ 324</u>
Operating cash flow per common share (Note 2)		
— Basic	68¢	58¢
— Fully diluted	57¢	48¢